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ABSTRACT

Using income data and poverty counts estimates derived from the current population survey, a national probability sampling of approximately 50,000 households, statistics are given on the income distribution among the aged, the impact of earnings from employment, the poverty thresholds, the total poor and near poor, the older poor: families, the older poor: unrelated individuals, and the older near poor. Tables given illustrate the following: Trend in Median Money Income of Families and Unrelated Individuals, 1960-1970; Distribution of Families and Unrelated Individuals by Money Income in 1970; Poverty Thresholds (Poor and Near Poor), Older Unrelated Individuals and Families, by Location and Sex, 1970; Number and Proportion of Families and Unrelated Individuals in Households with Incomes Below the "Poor" Poverty Threshold, All Ages and 65+, 1969 and 1970; and Number and Proportion of Families and Unrelated Individuals in Households with Incomes Below the "Poor" and "Near-Poor" Poverty Threshold, All Ages and 65+, 1970. (DE)

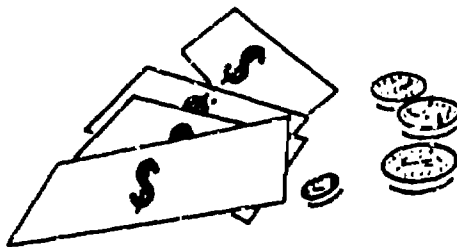
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# FACTS & FIGURES

## On Older Americans



### INCOME and POVERTY in 1970-ADVANCE REPORT

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Number 3

U.S. DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
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Previous reports, Series P-60.  
Unpublished data.

Administration on Aging - Selection, summation, comparisons, computation of under-65 income data, trends, and analyses.

Note: All income data and poverty counts are estimates derived from the current population survey, a national probability sampling of approximately 50,000 households; such data are subject to both sampling variability and to errors in response and nonreporting.

For a discussion of the "poverty" concept and the methodology, see FACTS AND FIGURES No. 1, "Measuring Adequacy of Income," March 1971.

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## INCOME AND POVERTY IN 1970 - ADVANCE REPORT

In 1970, half of the total of 51.9 million families in the United States had incomes of less than \$9,867. This was \$434 or 4.6% higher than the median income of all families in 1959. Consumer prices, however, increased about 6%. If the 1969 median is adjusted for the price increase, it comes to \$9,990 in 1970 dollars, showing a slight decrease in purchasing power in 1970.

The 15.4 million unrelated individuals (persons living alone or with nonrelatives) fared somewhat better. Their median income in 1970 was \$3,137, an increase of 7% over the \$2,931 in 1969--an increase somewhat greater than the 6% increase in consumer prices and therefore a small improvement in their purchasing power.

### COMPARISON OF OLD AND YOUNG

Thanks primarily to the increase in social security payments in 1970, older families, while suffering some loss of purchasing power, were not quite as adversely affected by the impact of price increases as were the families with under-65 heads.

The median income of families with 65+ heads rose 5.2% from \$4,803 in 1969 to \$5,053 in 1970; the median for under 65-headed families increased only 4.5%, from \$10,085 to \$10,541. As a result, the median income of older families which stood at 47.6% of the median of younger families in 1969, inched up to 47.9% in 1970. Older families still have considerably less than half the income of younger families.

In contrast to families, older persons living alone or with nonrelatives did not do as well as their younger counterparts. The median income of under-65 individuals rose 7% from \$4,314 in 1969 to \$4,616 in 1970; the median of the 65+ individuals increased only 5.2% from \$1,855 to \$1,951. Thus, the ratio of the median income of older individuals to that of the younger dropped from 43.0% to 42.3%--a further indication of the plight of this group, three quarters of whom are women, mostly widows.

The most recent high point in the relationship between the incomes of older and younger persons occurred in 1962 when older families had 50.6% of the median income of younger families and older unrelated individuals had 47.2% of the median of younger individuals. Since then, the disparity has fluctuated somewhat but has tended to increase. Between 1962 and 1970, the median for under-65 families rose 60.1% but the median for 65+ families increased only 57.7%. For unrelated individuals, the figures were 74.6% increase for the under 65 and 56.3% for the 65+.

#### INCOME DISTRIBUTION AMONG THE AGED

In 1970, half of the almost 7.2 million families with 65+ heads had money incomes of less than \$5,053 a year. At the bottom of the income distribution, about 150,000 or 2% of the older families had incomes of less than \$1,000 or about \$20 a week. A total of some 750,000 or 10% of the older families had incomes of less than \$2,000 and a total of more than 1.7 million or almost a quarter of all older families had less than \$3,000. Another quarter had incomes between \$3,000 and \$5,000.

At the upper end of the income scale, almost 1.5 million or a fifth of the older families had incomes of \$10,000 or more and some 170,000 or 2.5% had incomes of \$25,000 or more. The statistical impact of these high income older families is shown by the fact that the average income (mean as distinguished from median) for all older families was \$7,140 in 1970, almost \$2,100 greater than the median (\$5,053).

Half of the 5.8 million older people living alone or with nonrelatives had incomes of less than \$1,951 in 1970. More than 700,000 (12.7%) had less than \$1,000 and about 1.1 million (19.2%) had between \$1,000 and \$1,500. A total of more than 80% of the older individuals had less than \$4,000 in income for the year.

#### THE IMPACT OF EARNINGS FROM EMPLOYMENT

The almost one million older families with heads who were year-round full-time workers (13.5% of all older families) had a median income in 1970 of \$9,108. This is an income level 80% higher than for all older families and illustrates the primary position of earnings from employment as a source of income. However, this median was only 75% of that for younger families with fully-employed heads, reflecting differences in earnings levels and occupational distributions.

The almost 400,000 fully-employed older unrelated individuals (only 6.8% of all older individuals) had a median income of \$5,254 or close to three times the median for all older individuals. Again, however, the median was only 75% of that of the comparable younger group.

## THE POVERTY THRESHOLDS

The 6% increase in consumer prices between 1969 and 1970 was used to increase the thresholds for the measurement of poverty in 1970<sup>1</sup>. For example, the weighted average for an older unrelated individual was set at \$1,852 with a range from \$1,576 for an older woman in a farm area to \$1,879 for an older man in an urban area. The weighted average for a two-person older family (usually a couple) was \$2,328 with a range from \$1,972 for a female-headed farm family of two to \$2,349 for an urban couple.

In addition, a new threshold for the "near poor" was established at 25% above the specific poverty levels.

## THE TOTAL POOR AND NEAR POOR

The total number of persons of all ages living in households with total incomes below the poverty threshold for that specific household decreased steadily at a rate of almost 5% from the first estimate of 39.5 million in 1959 to 24.3 million in 1969. In 1970, however, the trend was reversed and there was a 5% increase to 25.5 million persons or 12.6% of the population of all ages.

A "near poor" threshold, set at 125% of the "poor" threshold, shows another 10.3 million persons between the two levels. Thus, there are a total of 35.8 million persons or 17.7% of the population living below this low income level ("near poor").

## THE OLDER POOR: FAMILIES

The total number of poor families (of all ages) increased from 4.9 million in 1969 to 5.2 million in 1970, mostly as a result of price increases and earnings losses through unemployment. The proportion of families falling below the poverty threshold also increased--from 9.7% to 10.0%.

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1 For discussion of poverty thresholds, see FACTS AND FIGURES No. 1, "Measuring Adequacy of Income," March 1971.

In the older population, however, the 1970 increase in social security payments overbalanced the consumer price increases and the number of families with 65+ heads falling below the poverty level dropped 77,000 from 1,243,000 in 1969 to 1,166,000 in 1970. The proportion of poor older families also fell from 17.6% to 16.3%. The disproportion in the extent of poverty among the white and Negro older families continued--14.1% of the white older families (921,000) and 40.8% of the Negro older families (229,000) were living in poverty. The slightly higher proportion of female-headed older families in poverty also continued.

#### THE OLDER POOR: UNRELATED INDIVIDUALS

The pattern of poverty among persons living alone or with nonrelatives was somewhat different. First, the proportion of both young and older is much higher than is true for families. Secondly, while the numbers of young and old below the poverty line increased, the percent decreased.

The number of poor older individuals rose 75,000 from 2,660,000 to 2,735,000 between 1969 and 1970 but the proportion of all 65+ individuals living in poverty remained almost the same (47.3% to 47.1%). The very high proportions of poor among the older women and the older Negroes living alone or with nonrelatives continued.

#### THE OLDER NEAR POOR

A "near poor" or "low income" threshold at 25% larger than the poverty threshold has been established. For an older individual, the average in 1970 was \$2,315 (poor = \$1,852); for a couple, \$2,910 (poor = \$2,328). Because the income distribution for older persons is skewed toward the lower end, the number falling between the poor and the near-poor levels is much more significant than is true for the under-65 groups.

In 1970, about 600,000 older families (8.3% of all older families) and 752,000 older individuals (12.9%) fell between the poor and near poor or low income levels. In total, then, a quarter of all older families (1.8 million) and three fifths of the older unrelated individuals (3.5 million) lived in households with total income below the low income level for that specific household.

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### Symbols used in tables in this series

- + (Before a number) Increase, more or greater than  
(After a number) and over, e.g., 65+ = 65 and over
- \* Less than one-half of the smallest unit which can  
be shown (but not zero)
- # Base or sample too small
- (Before a number) decrease
- @ States ranked in decreasing order; State with  
largest quantity is ranked "1"
- t Tied in ranking. States with identical quantities  
receive identical rank number with following rank  
number(s) skipped to allow for number in tie, e.g.,  
three States tied for fifth place will each receive  
rank of "5" but next State will be ranked "8" to  
compensate for skipping of 6th and 7th rank
- Not available or not applicable

TREND IN MEDIAN MONEY INCOME OF FAMILIES  
AND UNRELATED INDIVIDUALS, 1960-1970<sup>1</sup>

Period	Families			Unrelated individuals		
	Heads 14-64	Heads 65+		14-64	65+	
		Amount	Percent of 14-64		Amount	Percent of 14-64
1960....	\$ 5,905	\$2,897	49.1	\$2,571	\$1,053	41.0
1961....	6,099	3,026	49.5	2,589	1,106	42.7
1962....	6,336	3,204	50.6	2,644	1,248	47.2
1963....	6,644	3,352	50.4	2,881	1,277	44.3
1964....	6,981	3,376	48.4	3,094	1,297	41.9
1965....	7,413	3,514	47.4	3,344	1,378	41.2
1966....	7,922	3,645	46.0	3,443	1,443	41.9
1967....	8,504	3,928	46.2	3,655	1,480	40.5
1968....	9,198	4,592	49.9	4,073	1,734	42.6
1969....	10,085	4,803	47.6	4,314	1,855	43.0
1970....	10,541	5,053	47.9	4,616	1,951	42.3
<u>Percent change</u>						
1960-70.	+ 78.5	+ 74.4	--	+ 79.5	+ 85.3	--
1962-70.	+ 60.1	+ 57.7	--	+ 74.6	+ 56.3	--
1960-61.	+ 3.3	+ 4.4	--	+ 0.7	+ 5.0	--
1961-62.	+ 3.9	+ 5.9	--	+ 2.1	+ 12.0	--
1962-63.	+ 4.9	+ 4.6	--	+ 9.0	+ 2.3	--
1963-64.	+ 5.1	+ 0.7	--	+ 7.4	+ 1.6	--
1964-65.	+ 6.2	+ 4.1	--	+ 8.1	+ 6.2	--
1965-66.	+ 6.9	+ 3.7	--	+ 3.0	+ 4.7	--
1966-67.	+ 7.3	+ 7.8	--	+ 6.2	+ 2.6	--
1967-68.	+ 8.2	+ 16.9	--	+ 11.4	+ 17.2	--
1968-69.	+ 9.6	+ 4.6	--	+ 5.9	+ 7.0	--
1969-70.	+ 7.5	+ 5.2	--	+ 7.0	+ 5.2	--

1 By age groups, 14-64 and 65+. Data are estimates derived from a survey of a national probability sample of households; they are subject to both sampling variability and to errors in response and nonreporting.

DISTRIBUTION OF FAMILIES AND UNRELATED INDIVIDUALS BY MONEY INCOME IN 1970<sup>1</sup>

Income	Families				Unrelated individuals			
	Distribution		Cumulative		Distribution		Cumulative	
	Heads 14-64	Heads 65+	Heads 14-64	Heads 65+	14-64	65+	14-64	65+
<b>Total</b>								
Number (000).....	44,773	7,175	--	--	9,548	5,808	--	--
Median income....	\$10,541	\$5,053	--	--	\$4,616	\$1,951	--	--
Percent.....	100.0	100.0	--	--	100.0	100.0	--	--
Under \$1,000.	1.5	2.1	1.5	2.1	11.4	12.7	11.4	12.7
\$1,000- 1,499.	0.9	2.9	2.4	5.0	6.5	19.2	17.9	31.9
\$1,500- 1,999.	1.2	5.5	3.6	10.5	5.8	20.2	23.7	52.1
\$2,000- 2,499.	1.4	6.3	5.0	16.8	5.7	12.5	29.4	64.6
\$2,500- 2,999.	1.4	7.0	6.4	23.8	4.6	7.9	34.0	72.5
\$3,000- 3,499.	1.8	7.4	8.2	31.2	5.5	5.2	39.5	77.7
\$3,500- 3,999.	1.8	6.4	10.0	37.6	4.8	4.4	44.3	82.1
\$4,000- 4,999.	4.2	11.9	14.2	49.5	9.3	5.1	53.6	87.2
\$5,000- 5,999.	5.3	8.9	19.5	58.4	8.2	3.5	61.8	90.7
\$6,000- 6,999.	5.9	6.7	25.4	65.1	7.7	2.6	69.5	93.3
\$7,000- 7,999.	6.5	5.4	31.9	70.5	7.4	1.8	76.9	95.1
\$8,000- 8,999.	7.2	5.4	39.1	75.9	5.8	1.1	82.7	96.2
\$9,000- 9,999.	7.2	3.7	46.3	79.6	4.3	0.9	87.0	97.1
\$10,000-11,999.	13.7	5.9	60.0	85.5	5.2	1.2	92.2	98.3
\$12,000-14,999.	15.5	5.6	75.5	91.1	3.8	0.6	96.0	98.9
\$15,000-24,999.	19.5	6.4	95.0	97.5	3.3	0.7	99.3	99.6
\$25,000-49,999.	4.4	2.2	99.4	99.7	0.5	0.1	99.8	99.9
\$50,000+....	0.6	0.3	100.0	100.0	0.2	0.1	100.0	100.0
<b>Head Year-Round, Full-Time Worker<sup>2</sup></b>								
Percent of total number..	72.4	13.5	--	--	51.1	6.8	--	--
Median income....	\$11,859	\$9,108	--	--	\$7,014	\$5,254	--	--

<sup>1</sup> By age groups, 14-64 and 65+. Data are estimates derived from the March 1971 survey of a national probability sample of households; they are subject to both sampling variability and to errors in response and nonreporting.

<sup>2</sup> Excluding Armed Forces.

POVERTY THRESHOLDS (POOR AND NEAR POOR<sup>1</sup>)  
 OLDER UNRELATED INDIVIDUALS AND FAMILIES  
 BY LOCATION AND SEX, 1970

(Weighted averages)

Location and sex	Unrelated individual 65+		2-person family (couple) head 65+	
	Poor	Near poor	Poor	Near poor
Total.....	\$1,852	\$2,315	\$2,328	\$2,910
Nonfarm...	1,861	2,326	2,348	2,935
Male...	1,879	2,349	2,349	2,936
Female.	1,853	2,316	2,336	2,920
Farm.....	1,586	1,983	1,994	2,493
Male...	1,597	1,996	1,996	2,495
Female.	1,576	1,970	1,972	2,465

<sup>1</sup> Near-poor threshold is defined as 125%  
 of the poor threshold.

NUMBER AND PROPORTION OF FAMILIES AND UNRELATED INDIVIDUALS IN HOUSEHOLDS  
WITH INCOMES BELOW THE "POOR" POVERTY THRESHOLD, ALL AGES AND 65+, 1969 AND 1970

(Numbers in thousands)

Family status and color	All ages				65+			
	Number		Percent		Number		Percent	
	1969	1970	1969	1970	1969	1970	1969	1970
Families.....	4,950	5,214	9.7	10.0	1,243	1,166	17.6	16.3
White.....	3,555	3,701	7.7	8.0	1,014	921	15.6	14.1
Negro.....	1,326	1,445	27.8	29.3	211	229	41.7	40.8
Male head.....	3,146	3,280	6.9	7.1	980	964	16.4	15.7
White.....	2,490	2,604	6.0	6.2	836	783	15.0	13.8
Negro.....	609	625	17.8	18.3	135	167	38.2	39.3
Female head.....	1,804	1,934	32.3	32.5	263	202	23.6	19.9
White.....	1,065	1,097	25.4	25.0	179	138	18.8	15.8
Negro.....	718	820	53.2	54.5	77	61	49.5	45.6
Unrelated individuals.	4,851	5,023	33.6	32.7	2,660	2,735	47.3	47.1
White.....	3,962	4,121	31.8	30.7	2,300	2,392	45.0	44.8
Negro.....	806	940	46.0	48.1	336	322	74.7	73.2
Male.....	1,379	1,431	25.3	24.0	567	549	39.8	38.9
White.....	1,047	1,088	23.4	21.8	448	456	36.3	36.1
Negro.....	287	301	35.2	36.1	107	80	70.0	59.8
Female.....	3,472	3,592	38.5	38.2	2,093	2,186	49.9	49.7
White.....	2,914	3,033	36.4	36.0	1,852	1,936	47.7	47.5
Negro.....	520	539	55.4	59.1	229	243	77.2	79.1

NUMBER AND PROPORTION OF FAMILIES AND UNRELATED INDIVIDUALS IN HOUSEHOLDS  
WITH INCOMES BELOW THE "POOR" AND "NEAR-POOR" POVERTY THRESHOLD,  
ALL AGES AND 65+, 1970

(Numbers in thousands)

Family status and color	Between poor and near-poor levels (near poor only)				Below near-poor level (poor plus near poor)			
	All ages		65+		All ages		65+	
	Num- ber	Per- cent	Num- ber	Per- cent	Num- ber	Per- cent	Num- ber	Per- cent
Families.....	2,241	4.4	597	8.3	7,455	14.4	1,763	24.6
White.....	1,795	3.6	525	8.0	5,496	11.8	1,446	22.1
Negro.....	414	8.4	71	12.7	1,859	37.7	300	53.5
Male head.....	1,795	3.9	518	8.4	5,075	11.0	1,482	24.1
White.....	1,480	3.5	461	8.1	4,084	9.7	1,244	21.9
Negro.....	283	8.2	55	12.9	908	26.5	222	52.2
Female head.....	446	7.5	79	7.8	2,380	40.0	281	27.7
White.....	315	7.2	64	7.3	1,412	32.2	202	23.1
Negro.....	131	8.6	16	12.0	951	63.1	77	57.6
Unrelated individuals.....	1,296	8.4	752	12.9	6,319	41.1	3,487	60.0
White.....	1,156	8.6	703	13.1	5,277	39.3	3,095	57.9
Negro.....	118	6.7	45	10.2	958	54.8	367	83.4
Male.....	371	6.2	165	11.7	1,802	30.2	714	30.6
White.....	306	6.1	149	11.7	1,394	27.9	605	47.8
Negro.....	50	6.0	17	12.4	351	42.1	97	72.2
Female.....	925	9.9	587	13.4	4,517	48.1	2,773	63.1
White.....	850	10.2	554	13.6	3,883	46.2	2,490	61.1
Negro.....	67	7.3	28	9.2	606	66.4	271	88.3

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